



House of Representatives

General Assembly

File No. 59

February Session, 2018

Substitute House Bill No. 5199

House of Representatives, March 28, 2018

The Committee on Housing reported through REP. BUTLER of the 72nd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT ALLOWING CERTAIN MUNICIPALITIES TO CREATE
PROPERTY TAX RELIEF PROGRAMS FOR GRADUATES OF
CERTAIN EDUCATIONAL INSTITUTIONS LOCATED IN
CONNECTICUT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2018*) The legislative body of the
2 eight largest municipalities may establish, by ordinance, a program to
3 provide property tax relief as an incentive for graduates of a public
4 institution of higher education, private university, private college or
5 health care training school in this state, or graduates from a technical
6 high school in this state, to buy a first home in such municipality. The
7 municipality may (1) limit the amount of tax relief provided by such
8 program on an individual basis or in the aggregate, and (2) incentivize
9 such graduates to buy a first home in certain geographical areas of
10 such municipality. The provisions of this section shall not be construed
11 to deny a person any other exemptions from property tax to which
12 such person is entitled to by law. For the purposes of this section,
13 "largest municipality" means a municipality with the highest total

14 population in the state according to the most recent federal decennial
15 census.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2018</i>	New section
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Statement of Legislative Commissioners:

In Section 1, "in this state" was added for consistency.

HSG *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 19 \$	FY 20 \$
Hartford; Stamford; New Britain; New Haven; Bridgeport; Danbury; Norwalk; Waterbury	Grand List Reduction	Potential	Potential

Explanation

It is anticipated that a municipality that chose to implement this optional property tax exemption would increase its mill rate to make up for any grand list reduction incurred as a result of the exemption. This would result in a shift in the tax burden away from people eligible for the program. The extent of the shifting tax burden would vary based on the extent of the exemption set by the municipality, the number of people who participate in the program, and the value of property they purchase.

Approximately 55,000 students graduate each year from public and private universities and from the regional technical high schools within Connecticut. The number of graduates who participate in this program and the bill's corresponding impact on municipalities, would likely vary significantly based on the value of the exemption offered by municipalities.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation. .

Sources: 2010 United States Census Population by City - Connecticut

OLR Bill Analysis**sHB 5199*****AN ACT ALLOWING CERTAIN MUNICIPALITIES TO CREATE PROPERTY TAX RELIEF PROGRAMS FOR GRADUATES OF CERTAIN EDUCATIONAL INSTITUTIONS LOCATED IN CONNECTICUT.*****SUMMARY**

This bill authorizes the eight largest municipalities by population, based on the last decennial census, to establish by ordinance a property tax relief program for first-time homebuyers who are recent graduates of a college or university, health care training school, or technical high school. The ordinance may include (1) a cap on tax relief provided on an individual or aggregate basis and (2) incentives to encourage program participants to purchase homes in certain areas of the municipality.

According to the last census, the eight largest municipalities are Bridgeport, New Haven, Stamford, Hartford, Waterbury, Norwalk, Danbury, and New Britain.

EFFECTIVE DATE: July 1, 2018

COMMITTEE ACTION

Housing Committee

Joint Favorable

Yea 12 Nay 0 (03/14/2018)